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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

UNITED STATES OF AMERICA AND) Case No. CV 10-0232 PSG (SSx)
THE STATE OF CALIFORNIA)

Plaintiffs,)

v.)

INTERCARE HEALTH SYSTEMS, INC,)
a California corporation,)
formerly d.b.a. CITY OF)
ANGELS MEDICAL CENTER; ROBERT)
BOURSEAU; and RUDRA SABARATNAM)

Defendants.)

**CONSENT JUDGMENT BETWEEN UNITED
STATES OF AMERICA, THE STATE OF
CALIFORNIA AND INTERCARE HEALTH
SYSTEMS, INC.**

1 EDMUND G. BROWN, JR.
Attorney General of the State of California
2 DANE GILLETTE
Chief Assistant Attorney General
3 MARK GEIGER
Director
4 BRIAN V. FRANKEL
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9 Attorneys for State of California

10 **CONSENT JUDGMENT**

11 IT IS HEREBY ORDERED, ADJUDGED and DECREED, pursuant to and in
12 accordance with the Stipulation for Entry of Consent Judgment
13 entered into by and between plaintiff the United States of America,
14 acting on behalf of its agency, the United States Department of
15 Health and Human Services, and plaintiff the State of California
16 (collectively "plaintiffs"), and defendant Intercare Health
17 Systems, Inc. ("Intercare" or "defendant")(plaintiffs and defendant
18 are collectively referred to as "the parties"), as follows:

19 **Findings**

20 1. The Court has subject matter jurisdiction over this action
21 pursuant to 31 U.S.C. § 3730(a) and (b) and 28 U.S.C. §§ 1331 and
22 1345. Jurisdiction over all state law claims alleged in this
23 action is proper under 31 U.S.C. § 3732(b). This Court has
24 supplemental jurisdiction over all state law claims under 28 U.S.C.
25 § 1367.

26 2. Defendant has acknowledged and accepted service of the
27 Summons and Complaint. The Court has personal jurisdiction over
28 defendant.

1 3. Venue is proper in this District pursuant to 31 U.S.C. §
2 3732(a) and 28 U.S.C. § 1391(b), because defendant is located and
3 transacts business in this District, and a substantial part of the
4 events giving rise to the claims brought in this action occurred in
5 this District.

6 4. Intercare is a California corporation that, from 2004
7 through November 18, 2008, owned and operated a for-profit acute
8 care hospital in Los Angeles known as the City of Angels Medical
9 Center ("City of Angels"). City of Angels was at all times
10 relevant hereto a participating hospital in the Medicare and Medi-
11 Cal programs; its Medicare provider number, at all times relevant
12 hereto, was 05-0725; its Medi-Cal provider number, at all times
13 relevant hereto, was HSC30725F.

14 5. Defendant Robert Bourseau ("Bourseau") is a resident of
15 the State of California. At all times relevant hereto, the 50%
16 shareholder of Defendant Intercare was the G & B Trust and/or the
17 Gladys Bourseau Living Trust ("GBLT"), and Bourseau was an officer
18 and director of Intercare.

19 6. Defendant Dr. S. Rudra Sabaratnam ("Sabaratnam") is a
20 resident of the State of California. Sabaratnam was a licensed
21 physician and a managing officer at all times relevant hereto, and
22 from 2004 to June 14, 2007, was the Chief Executive Officer, and
23 one of the two owners through Secured Equity Partners, L.P., of
24 Intercare.

25 7. On December 12, 2008, Sabaratnam pled guilty to two counts
26 of Payment of Illegal Remuneration for Patient Referrals (42 U.S.C.
27 § 1320a-7b(b)(2)(A))(the Anti-Kickback Statute) in connection with
28

1 the facts alleged in the Complaint filed in this action. (U.S.D.C.-
2 C.D. CA Case No. CR-08-00904).

3 8. On June 16, 2009, Bourseau pled guilty to two counts of
4 Payment of Illegal Remuneration for Patient Referrals (42 U.S.C. §
5 1320a-7b(b)(2)(A))(the Anti-Kickback Statute) in connection with
6 the facts alleged in the Complaint filed in this action. (U.S.D.C.-
7 C.D. CA Case No. CR-09-00087).

8 9. On January 14, 2010, this Court entered Consent Judgments
9 against Bourseau and Sabaratnam, jointly and severally for
10 \$8,457,769 in favor of the United States and \$1,542,231 in favor of
11 the State of California together with post-judgment interest for
12 activities that occurred when they were owners and principals of
13 Intercare and that were alleged in the Complaint.

14 10. On April 22, 2010, the United States Bankruptcy Court for
15 the Central District of California, Los Angeles Division, in the
16 case In re Intercare Health Systems, No. 2:09-bk-29121-SB, entered
17 the Order attached hereto as Exhibit 1, allowing plaintiffs an
18 allowed, undisputed, general, unsecured claim against Intercare for
19 \$10,000,000 in complete satisfaction of the plaintiffs claims
20 against Intercare in the bankruptcy action.

21 **Judgment**

22 11. Judgment in favor of the United States against defendant
23 Intercare, jointly and severally with defendants Bourseau and
24 Sabaratnam, on the United States' federal False Claims Act
25 allegations contained in the Complaint in the amount of \$8,457,769,
26 shall be and hereby is ordered and entered.

27 12. Judgment in favor of the State of California against
28 defendant Intercare, jointly and severally with defendants Bourseau

1 and Sabaratnam, on the State of California's False Claims Act
2 allegations contained in the Complaint in the amount of \$1,542,231,
3 shall be and hereby is ordered and entered.

4 13. Nothing in this Consent Judgment disturbs or changes in
5 any way the Consent Judgments entered against Robert Bourseau and
6 Rudra Sabaratnam, or in any way exonerates or releases Robert
7 Bourseau or Rudra Sabaratnam from their obligations to satisfy the
8 Consent Judgments entered against them by this Court.

9 **IT IS SO ORDERED.**

10
11 DATED: May 7, 2010



UNITED STATES DISTRICT JUDGE

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14 APPROVED AS TO FORM AND CONTENT:

15
16 THE UNITED STATES OF AMERICA

17 TONY WEST
Assistant Attorney General
18 JOYCE R. BRANDA
DANIEL R. ANDERSON

19 /s/
20 ROBERT J. MCAULIFFE
Civil Division
21 United States Department of Justice

22 Attorneys for Plaintiff
United States of America

23 DATED: April 27, 2010

24 GEORGE S. CARDONA
Acting United States Attorney
25 LEON W. WEIDMAN
Assistant United States Attorney
26 Chief, Civil Division
27 GARY PLESSMAN
Assistant United States Attorney
28 Chief, Civil Fraud Section

1 /s/ _____
2 WENDY L. WEISS
3 Assistant United States Attorney

4 Attorneys for Plaintiff
5 United States of America

6 DATED: April 28, 2010
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THE STATE OF CALIFORNIA

/s/
BRIAN V. FRANKEL
Supervising Deputy Attorney General
Office of the Attorney General for the State of California
Attorneys for Plaintiff
The State of California
DATED: April 26, 2010

Defendant

INTERCARE HEALTH SYSTEMS, INC.,
dba CITY OF ANGELS MEDICAL CENTER

By: _____ /s/
Name: RUDRA SABARATNAM, Bankruptcy Court Approved Representative
of Intercare

DATED: May 4, 2010

/s/
MICHAEL S. KOGAN
ERVIN, COHEN & JESSUP, LLP
Attorney for Intercare Health
Systems, Inc.

DATED: May 5, 2010